

# Memorandum



Date: July 6, 2018

To: City of Wichita

From: Burns & McDonnell

Subject: Business Case Evaluation (BCE) Cover Letter

Attached is a Business Case Evaluation (BCE) performed by the City of Wichita in 2017 which evaluated 12 alternative strategies for managing the risk associated with the existing condition of the Main Water Treatment Plant (MWTP) (called “Main WQRF” in the BCE). The BCE incorporated risk and financial factors as well as factors related to Wichita Water Utility goals. The results indicate that the development of a 120 MGD WTF at a new location would result in the highest return on investment and best risk management strategy. The top three scenarios all recommend near term construction of a 120 MGD NWWTF but include different future options for rehabilitation of the MWTP to be completed by the year 2039 in order to meet projected demands. This BCE serves as the Alternatives Evaluation for the project.

For clarity, it should be noted that the BCE differentiates between the East WQRF, the Central WQRF, and the Main WQRF. The East Plant train and the Central Plant trains combined constitute what is referred to as the Main Water Treatment Plant. It should also be noted that the term WQRF (Water Quality Reclamation Facility) is one commonly used for wastewater treatment plants but was used for water treatment within the BCE.

The BCE does not clearly indicate that the 120 MGD recommendation represents firm capacity or total capacity. The City of Wichita requires a NWWTF capable of meeting future demands thus, the plant capacity as defined in this Letter of Interest (LOI) is 140 (total), 120 MGD (firm capacity).

The BCE also does not clearly state what future option is being recommended for the MWTP. The top options indicated in Table 6-2 in the BCE suggest that some form of rehabilitation or replacement of the MWTP by the year 2039 is of the highest value. In addition to mitigating significant risk, the construction of the new NWWTF and its ability to meet near term demands will provide the highest degree of flexibility when defining the options associated with the future rehabilitation or replacement of the MWTP.

For the reasons stated in the BCE, the MWTP will remain in operation during construction and commissioning of the NWWTF, and then decommissioned until the plans for rehabilitation or replacement can be finalized.